

**Diocese of Pennsylvania Finance Committee Agenda – Organizational Meeting
November 26, 2013, 6:30-8:30 p.m., Church of the Redeemer, Bryn Mawr**

Committee members present: Eric Rabe, Vice Chair, Nora Adelman, The Rev. Kirk Berlenbach, Ann Booth-Barbarin, Elise Bowers, The Rev. Dr. Charles Flood, The Rev. Carolyn Huff, Jo Ann Jones, The Rev. Adam Kradel, The Rev. George Master, Eric Rabe

Ex officio members present: James Pope, Church Foundation; Rob Rogers, Canon for Finance; Margaret Ullman, Commission on Clergy Compensation and Employee Benefits

Committee members not present: John Loftus

Ex officio not present: Rt. Rev. Clifton Daniel, Bishop; Norman McClave, Treasurer

1. Welcome, introductions – Eric Rabe, Vice Chair from 2013, noted the **committee composition for 2013-2014. Six have been elected by Convention: Nora Adelman and The Rev. Adam Kradel in three-year terms; John Loftus and The Rev. George Master in two-year terms; and The Rev. Dr. Charles Flood and Eric Rabe in one-year terms. Appointments for one year from Standing Committee are The Rev. Kirk Berlenbach and JoAnn Jones, and from Diocesan Council Elise Bowers and The Rev. Carolyn Huff. Bishop Daniel reappointed Ann Booth-Barbarin for one year. Church Foundation reappointed James Pope as its representative (voice, no vote), and Margaret Ullman will join from the Commission on Clergy Compensation and Employee Benefits (voice, no vote) for at least several months while CCCEB is reorganizing. Other ex-officio members continue: Bishop Daniel, Canon for Finance Rob Rogers, and Treasurer Norman McCabe.**
2. Reflection: How does what we are doing impact those who are living in poverty?
3. Elections of officers – The following agreed to serve if elected: Chair – Eric Rabe, Vice Chair – The Rev. Adam Kradel, Secretary – Nora Adelman. Jo Ann Jones made a motion, seconded by The Rev. Kirk Berlenbach, for the Secretary to cast a unanimous ballot for the slate, hearing no other nominations from the floor (all in favor, none opposed or abstaining).
4. Consent Agenda – The Rev. George Master made a motion to approve the Consent Agenda, seconded by JoAnn Jones (all in favor , none opposed or abstaining)
 - a. Minutes of October 2013 meeting
 - b. Reaffirmation of policies
 - i. Conflict of Interest
 - ii. Whistleblower

Due to weather and traffic, several committee members joined the meeting at this point: The Rev. Carolyn Huff, The Rev. Dr. Charles Flood, Margaret Ullman, and Elise Bowers. Committee members introduced themselves.

5. For discussion:
 - a. Subcommittee and task group role descriptions and leadership for 2013-2014 – review materials distributed in advance, raise comments or questions – The Parochial

Relations Subcommittee is charged with assisting parishes in conforming with diocesan requirements (financial review, parochial reports, etc.) Subcommittee appointments will be made when interest forms are submitted; each subcommittee will schedule a meeting between now and the January Finance Committee meeting.

- b. Pending items from last year's committee discussions – updates
 - i. Consolidation of small funds – report by James Pope, Rob Rogers (Investment Subcommittee) – The smallest funds are close to combination into larger funds with similar objectives, and the next group of slightly larger funds will follow using the same process and approach.
 - ii. Establishment of policies and procedures for property matters – report by Eric Rabe (Property Subcommittee) – Bishop Daniel asked the subcommittee to draft a process for taking recommendations regarding property to Standing Committee. This topic will be discussed at the Subcommittee's next meeting.
 - iii. Cathedral office lease/alternatives – report by Standing Committee reps from last week's meeting (Property Subcommittee) – The Property Subcommittee made a recommendation that locating the Diocesan offices in the Cathedral complex is a strategic issue rather than a property issue. Standing Committee considered the issue at its meeting last week, and will further discuss at its December meeting. There were questions about dollars, details of the fit-out, comparable office spaces, and adequacy of space on one floor. Questions have gone back to the Dean and the Cathedral Chapter. It is desirable and advantageous for the Diocesan offices to be located at the Cathedral for theological, social and practical reasons – does it make financial sense?

Consensus of the Finance Committee seems to be that there are significant concerns about the expense and a suggestion to explore alternatives. Committee members noted both positives (presence in University City/West Philadelphia, public transportation, resources exist to cover the costs if that is the strategic choice) and concerns (whether one floor would be adequate for a slightly larger Diocesan staff, using more than one floor in the building would be a higher cost than anticipated, studying comparable rents in the same area as the Cathedral for an accurate comparison, whether this is how the funds should be used).

- iv. Retired lay employee benefits (Insurance Subcommittee) and personnel policy manual – report by Rob Rogers – Bishop Daniel would like to consider the options. There are 20 retired lay employees, 8 of whom are over 80 and exempt from the plan. Parity of plans for clergy and lay employees is at issue. The Rev. Lucy Ammerman is working on a personnel manual revision to address the issue. Costs will be within the budget that was adopted at Convention.
- v. Seating policy for Convention 2014 (Parochial Relations Subcommittee) – The current Canons spell out an appeals process for parishes that are not current in payments of Assessments (Canon 7.4.1 “...Any parish or mission which at the time of meeting of any Convention, annual or special, is delinquent in its payment for the current or any previous year of the amounts so required of it shall be reported by the Executive Office to the Secretary of the Convention as liable to have forfeited its right to representation and vote in that Convention.”)

Canon 7.4.2 deals with a parish's petition, two months prior to Convention, to the Finance Committee for relief if assessments are unpaid.)

There are two issues: The constitutional requirement (4.2.d) addresses parishes which have not paid the required Episcopate assessment in current or past year, and stipulates that lay delegates will not be seated. The Canons say that the lay delegation can be seated by a majority vote at Convention. These provisions have not been enforced in past practice. Parishes are supposed to petition the Finance Committee 60 days in advance if they have not paid assessments. A pastoral approach needs to be the standard – this issue was referred to the Parochial Relations Subcommittee, with the suggestion that the Diocesan Consultation Team and Diocesan Council also be involved in developing an approach. In addition, the Canonical requirement will be publicized in 2014, noting the 60-day requirement for petitioning. Those on a payment plan would be given variances very easily. It is very important to learn why parishes are not paying assessments. The Finance Committee will receive the list of parishes with unpaid assessments at its June meeting (the deadline for paying assessments is June 15).

6. For Action

- **Resolved: that the designation of the following housing allowances shall apply to calendar year 2014:**
 - o **The Rev. Jose Diaz Martinez \$25,000**
 - o **The Rev. Judith Meckling \$9,600**
 - o **Very Rev. Nancy Deming \$16,944**
 - o **The Rev. Renee McKenzie Heyward \$24,000 (A motion was made by The Rev. George Master and seconded by Ann Barbarin, all in favor, none opposed or abstaining)**
- Finance Committee meeting times, dates, location(s) – At its meeting on November 19, Standing Committee determined that its 2014 meetings would take place on the fourth Tuesdays of each month so that Finance Committee meetings could be before Standing Committee (Standing Committee makes decisions about property matters, and in 2013 there was an awkwardness of process due to timing of meetings). Finance Committee meetings need to be on or after the 15th of the month in order to have current financial statements. Eric will send an electronic poll regarding possible days of the week the third week of the month for Finance Committee meetings at Church of the Redeemer, Bryn Mawr, 6:30-8:30 pm.

7. Questions, discussion of written reports (8:00-8:20)

- a. Financial Statements – Rob Rogers, Canon for Finance – October financials were distributed electronically in advance. Accounts Receivable on page 2 show 84% paid versus 78% last year, and by year-end the percentage is expected to be 95%. Typically, 2013 assessments carry over, with between \$50,000 and \$150,000 received in January – leading to closing the books late in the month. Pledges for 2014 have been received from a variety of churches. The report by parish will be presented at the January Finance Committee meeting. Cash position is strong. Closing on the sale of Church

House is anticipated before December 31 – it would be advantageous to pay a swing loan with the proceeds of the sale by year-end. The Nunn's Fund (Bishop's Discretionary Fund) has been used for several purposes recently, and Bishop Daniel is exercising prudence in expending those monies. The last Church Foundation distribution from 2013 will be paid on January 15, 2014. Church House will close around December 20 to move the offices to Lutheran Seminary. Retired Clergy Financial Assistance and Clergy Financial Assessments results are positive. The Diocesan Health and Welfare Benefits Trust audit for 2012 was a clean one.

- b. Treasurer's Report – Norman McClave, Treasurer – no report
 - c. Subcommittees:
 - i. Diocesan Audit – Rob Rogers – unfunded liability for retired clergy went up by \$200,000 to \$3.6 million.
 - ii. Budget – approved as presented at Convention
 - iii. Insurance – no update
 - iv. Investment – no update
 - v. Parochial Relations – workshop planned for March 2014
 - vi. Property – A property near Wapiti was auctioned for slightly more than \$3 million (and the house on the property had been substantially improved by the owner). Prices in that area are not coming up. Some Diocesan events are taking place, aiming for breakeven. The loan is now at around \$80,000, and could be paid off with the proceeds from closing on one of the churches that are currently listed for sale.
 - d. Other groups
 - i. Diocesan Leaders – continue to meet monthly at St. Mary's Ardmore second Thursday of each month, 6:30-8:30 p.m. The Rev. Liz Colton is convening in 2014. The Rev. Charles Flood will go some of the time, alternating with Nora Adelman, The Rev. Adam Kradel, and Eric Rabe.
 - ii. Financial Assistance Application Review Group – no update
8. Discussion of reflection: How does what we are doing impact those who are living in poverty?
- Getting more organized and consolidating, institutional revitalization helps outreach efforts
 - Prudent use of diocesan funds– consider outreach and those in need and how to use funds most effectively
 - Ways churches are seen as charitable social services organizations, although that is not why churches are established
 - Perhaps nothing we do directly – but how we bring information about churches at risk – and how we help other groups shore up and assist challenged churches so they can continue ministries – we enable those who directly work with those in poverty
9. Closing prayer – The Rev. Kirk Berlenbach

Eric Rabe, Chair

Nora Adelman, Secretary